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C O N F I D E N T I A L SECTION 01 OF 03 SANTIAGO 000263

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SUBJECT: BIO FOR JUAN GABRIEL VALDES, CHILE'S PERMREP TO THE UN

REF: 02 SANTIAGO 3279

CLASSIFIED BY: E/POL COUNSELOR BRIAN BLOOD, REASONS 1.5 B AND D

**¶1.** (C) SUMMARY: JUAN GABRIEL VALDES IS THE GOC'S PERMANENT REPRESENTATIVE TO THE UN AS CHILE BEGINS ITS TWO-YEAR TOUR ON THE SECURITY COUNCIL. HE PREVIOUSLY SERVED AS CHILE'S FOREIGN MINISTER AND IN A PAIR OF TRADE POLICY POSITIONS. VALDES LIVED AND WORKED IN THE U.S. FOR SEVERAL YEARS DURING THE MILITARY GOVERNMENT, DURING WHICH TIME HE NARROWLY ESCAPED THE CAR BOMBING THAT CLAIMED THE LIFE OF ORLANDO LETELIER. VALDES HAS BEEN ASSOCIATED WITH PRESIDENT RICARDO LAGOS FOR MANY YEARS AND WILL HAVE ACCESS AT THE HIGHEST LEVELS. END SUMMARY.

**¶2.** (U) JUAN GABRIEL VALDES SOUBLETTE HAS BEEN CHILE'S PERMANENT REPRESENTATIVE TO THE UNITED NATIONS SINCE MAY 2000, SHORTLY AFTER THE START OF PRESIDENT RICARDO LAGOS' ADMINISTRATION. CHILE'S ACCESSION TO THE UN SECURITY COUNCIL ON 1 JANUARY 2003 WILL RAISE VALDES' PROFILE IN NEW YORK AND IN CHILE. A BRIEF BIO FOLLOWS.

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FOREIGN MINISTER: PINOCHET AND SEATTLE  
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**¶3.** (U) JUAN GABRIEL VALDES SERVED AS CHILE'S FOREIGN MINISTER FROM JUNE 1999 UNTIL MARCH 2000 AT THE END OF THE PRESIDENTIAL ADMINISTRATION OF FAMILY FRIEND EDUARDO FREI RUIZ-TAGLE. VALDES IS THE SON OF GABRIEL VALDES SUBERCASEAUX, CURRENTLY THE CHAIR OF THE SENATE'S FOREIGN RELATIONS COMMITTEE AND FORMERLY THE FOREIGN MINISTER FOR FREI'S FATHER, EDUARDO FREI MONTALVA, FROM 1964 TO 1970. THE YOUNGER VALDES IS A MEMBER OF THE SOCIALIST PARTY, WHILE HIS FATHER IS A CHRISTIAN DEMOCRAT.

**¶4.** (U) ONE OF VALDES' FIRST CHALLENGES WHEN HE TOOK OVER AS FOREIGN MINISTER WAS MANAGING THE INTERNATIONAL CONTROVERSY SURROUNDING GENERAL AUGUSTO PINOCHET, WHO WAS BEING HELD IN LONDON FACING POSSIBLE EXTRADITION TO SPAIN. PRESIDENT FREI CHOSE VALDES IN PART BECAUSE OF THE TIME VALDES SPENT AS AMBASSADOR TO SPAIN FROM 1990 TO 1994. VALDES ADVOCATED FOR PINOCHET'S RETURN TO CHILE BOTH ON HUMANITARIAN GROUNDS AND SO HE COULD FACE CHILEAN JUSTICE INSTEAD OF SPANISH. PINOCHET WAS RETURNED TO CHILE IN MARCH 2000, NEAR THE END OF VALDES' TIME AS FOREIGN MINISTER.

**¶5.** (C) IN DECEMBER 1999, VALDES LED THE CHILEAN DELEGATION TO THE WTO MINISTERIAL IN SEATTLE. VALDES, TRAVELING IN A VEHICLE PROVIDED BY THE WASHINGTON STATE GOVERNOR'S OFFICE AND ACCOMPANIED BY THE CHILEAN AMBASSADORS TO THE U.S. AND THE WTO, WAS TWICE STOPPED BY POLICE AND TOLD THE VEHICLE COULD NOT APPROACH THE CONVENTION/HOTEL AREA. VALDES AND HIS PARTY LEFT THE VEHICLE, OPTING TO WALK IN THE RAIN AND WITH BAGGAGE IN HAND THE SEVERAL BLOCKS TO THEIR HOTEL. THE PARTY WAS STOPPED TWO MORE TIMES BY POLICE AND TOLD IT COULD NOT PROCEED. AFTER BEING STOPPED FOR THE FOURTH TIME, VALDES AND A SEATTLE POLICE OFFICER EXCHANGED CAREFULLY-CHOSEN WORDS, AND THE OFFICER ALLEGEDLY SHOVED THE FOREIGN MINISTER. CHILE'S AMBASSADOR TO THE U.S. FOUND ANOTHER POLICE OFFICER, WHO ESCORTED THE PARTY ON FOOT TO ITS HOTEL. VALDES' INITIAL REACTION WAS TO LEAVE SEATTLE AT ONCE AND RETURN HOME. UPON

REFLECTION AND AFTER APOLOGETIC CALLS FROM THEN UNDER SECRETARY OF STATE THOMAS PICKERING AND A NATIONAL SECURITY COUNCIL OFFICIAL, VALDES REMAINED FOR THE MINISTERIAL.

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A PAIR OF TRADE POSITIONS  
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¶6. (C) FOR THE FIRST FIVE YEARS OF THE FREI ADMINISTRATION, VALDES WAS A PRIMARY PLAYER IN CHILE'S TRADE POLICY EFFORTS. FROM 1994 UNTIL 1996, HE WAS HEAD OF THE FINANCE MINISTRY'S INTERNATIONAL AFFAIRS DIRECTORATE. HE HELD THE UNOFFICIAL TITLE OF CHIEF NAFTA NEGOTIATOR, AND PURSUED CHILE'S ULTIMATELY POSTPONED EFFORT TO REACH A FREE TRADE AGREEMENT WITH THE U.S. AFTER THE DECEMBER 1994 SUMMIT OF THE AMERICAS IN MIAMI. VALDES WAS PART OF A LARGER POWER STRUGGLE BETWEEN THE FINANCE MINISTRY AND THE MINISTRY OF FOREIGN AFFAIRS OVER WHICH MINISTRY WOULD TAKE THE LEAD IN TRADE TALKS. IN PART BECAUSE OF THIS INTER-MINISTERIAL RIVALRY, MFA OFFICIALS CRITICIZED VALDES AT THE TIME FOR HIS LACK OF EXPERTISE IN ECONOMIC AND TRADE MATTERS, AND CHARACTERIZED HIM AS A LIGHTWEIGHT WHOSE INFLUENTIAL FATHER HAD GOTTEN HIM HIS POSITION. VALDES HAD WANTED TO BE AMBASSADOR TO THE U.S. OR DEPUTY FOREIGN MINISTER AFTER HIS TOUR AS AMBASSADOR TO SPAIN, AND TOOK THE FINANCE MINISTRY POSITION AS SOMETHING OF A CONSOLATION PRIZE.

¶7. (C) THE MINISTRY OF FOREIGN AFFAIRS' POSITION CHANGED IN 1996 WHEN VALDES TOOK OVER THE MFA'S DIRECTORATE FOR INTERNATIONAL ECONOMIC RELATIONS (DIRECON) AND BROUGHT THE TRADE PORTFOLIO WITH HIM. TRADE POLICY PRIMACY HAS REMAINED WITH THE MFA EVER SINCE. VALDES MANAGED THE NEGOTIATIONS WHICH PRODUCED FREE TRADE AGREEMENTS WITH CANADA, MEXICO AND PERU, AND LAUNCHED TALKS WITH THE EUROPEAN UNION AND SOUTH KOREA WHICH WOULD REACH FRUITION IN 2002. VALDES SOUGHT TO DEEPEN CHILE'S ECONOMIC INTEGRATION WITH THE REGION AND THE WORLD, AND FOUGHT AGAINST A SINGLE-MINDED FOCUS ON THE U.S. THE AMERICAN CHAMBER OF COMMERCE HONORED HIM IN JUNE 1999 WITH ITS "PROMOTING FREE TRADE" AWARD. VALDES LEFT DIRECON IN JUNE 1999 TO JOIN THE PRESIDENTIAL CAMPAIGN OF RICARDO LAGOS, ALTHOUGH FREI CALLED HIM BACK INTO GOVERNMENT SEVERAL WEEKS LATER TO BE FOREIGN MINISTER.

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FROM EXILE WITH LETELIER TO THE "NO" VOTE  
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¶8. (U) VALDES STAYED OUTSIDE OF CHILE FOR MOST OF THE MILITARY GOVERNMENT PERIOD. HE RECEIVED A MASTERS IN POLITICAL SCIENCE AND LATIN AMERICAN STUDIES FROM THE UNIVERSITY OF ESSEX IN 1973, AND A PH.D. IN POLITICAL SCIENCE FROM PRINCETON IN 1976.

¶9. (C) FROM PRINCETON VALDES WENT TO WORK AT THE INSTITUTE FOR POLICY STUDIES IN WASHINGTON WITH ORLANDO LETELIER, CHILE'S EXILED FORMER AMBASSADOR TO THE U.S. VALDES TYPICALLY RODE TO WORK WITH HIS COUNTRYMAN LETELIER, BUT HE STAYED HOME ON 21 SEPTEMBER 1976 TO WATCH HIS CHILDREN WHILE HIS WIFE WENT TO THE SUPERMARKET. LETELIER AND HIS ASSISTANT, AMCIT RONNI MOFFITT, WERE KILLED BY A CAR BOMB THAT MORNING OFF SHERIDAN CIRCLE. VALDES HAD RIDDEN IN LETELIER'S CAR THE NIGHT BEFORE AFTER THE BOMB HAD ALREADY BEEN PLANTED BY AGENTS OF CHILE'S INTELLIGENCE SERVICE. (COMMENT: SOME OF VALDES' COLLEAGUES FROM THIS TIME WERE VERY CRITICAL OF HIS EFFORTS AS FOREIGN MINISTER TO HELP PINOCHET AVOID EXTRADITION TO SPAIN. END COMMENT.)

¶10. (U) VALDES WORKED AT A VARIETY OF THINK TANKS AND UNIVERSITIES IN MEXICO, THE U.S. AND CHILE OVER THE NEXT TEN YEARS, INCLUDING AT NOTRE DAME AND PRINCETON AS A VISITING SCHOLAR. HE WAS ACTIVE DURING THE 1988 PLEBESCIATE ON CONTINUED PINOCHET RULE, IN PARTICULAR HELPING TO ORGANIZE THE TELEVISION SPOTS FOR THE "NO" CAMPAIGN. VALDES WORKED CLOSELY WITH THE STAFF OF CURRENT PRESIDENT RICARDO LAGOS DURING AND AFTER THE PLEBESCIATE CAMPAIGN, AND LAGOS' INFLUENCE WAS INSTRUMENTAL IN WINNING VALDES THE COVETED AMBASSADORSHIP TO SPAIN IN 1990. VALDES HAS PUBLISHED NUMEROUS ARTICLES AND A BOOK, "PINOCHET'S ECONOMISTS: THE

CHICAGO SCHOOL IN CHILE," WHICH THE CAMBRIDGE UNIVERSITY PRESS PUT OUT IN 1996.

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URBANE AND SOPHISTICATED  
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¶11. (U) VALDES HAS RUN IN INTERNATIONAL CIRCLES FOR NEARLY HIS ENTIRE LIFE. DURING HIS FATHER'S TIME AS FOREIGN MINISTER, VALDES MET GOLDA MEIR, ROBERT KENNEDY AND CHARLES DE GAULLE, AMONG OTHER PROMINENT FIGURES. HE LOBBIED EDWARD KENNEDY AFTER THE LETELIER BOMBING, AND MET CARLOS SALINAS WHILE WORKING IN MEXICO. NUMEROUS FRIENDS AND PROFESSORS FROM HIS COLLEGE YEARS WOULD GO ON TO BE GOVERNMENT MINISTERS, INCLUDING CURRENT INTERIOR MINISTER JOSE MIGUEL INSULZA.

¶12. (U) VALDES HAS LIVED AND TRAVELED ALL AROUND THE WORLD, JOKING THAT HE HAS ACQUIRED A "PH.D. IN HOTELS." HE HAS A REPUTATION AS A BON VIVANT, AND STATES THAT HIS FAVORITE WORLD CITY IS PARIS. HE STUDIED THE CELLO FOR YEARS, AND ENJOYS JAZZ AND CLASSICAL MUSIC, PARTICULARLY MAHLER'S FIFTH SYMPHONY. OTHER FAVORITES ARE VICTOR HUGO'S LES MISERABLES AND AUDREY HEPBURN. VALDES IS WITTY WHEN RELAXED AND A GOOD RACONTEUR.

¶13. (U) VALDES WAS BORN IN SANTIAGO IN JUNE 1947. HE STUDIED LAW AT THE CATHOLIC UNIVERSITY OF CHILE. HE IS MARRIED TO THE HISTORIAN ANTONIA ECHENIQUE CELIS. THEY HAVE FOUR CHILDREN.

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COMMENT: DIRECT LINE TO PRESIDENT  
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¶14. (C) VALDES HAS A GOOD WORKING RELATIONSHIP WITH FOREIGN MINISTER ALVEAR, BUT THERE ARE ALSO FACTORS WHICH LIMIT THE FRIENDLINESS BETWEEN THEM. ALVEAR AND SENATOR VALDES (THE PERM REP'S FATHER) ARE BOTH CHRISTIAN DEMOCRATS, BUT THEY COME FROM DIFFERENT Factions OF THE PARTY. SEN. VALDES HAS BEEN VERY CRITICAL OF ALVEAR'S MANAGEMENT OF THE FOREIGN MINISTRY, PARTICULARLY THE MISHANDLING OF CHILE'S RATIFICATION OF THE TREATY SETTING UP THE INTERNATIONAL CRIMINAL COURT (WHICH HAS STILL NOT BEEN RATIFIED). ALVEAR WAS NOT PART OF CHILE'S FOREIGN POLICY ESTABLISHMENT PRIOR TO BEING NAMED FOREIGN MINISTER, AND SHE OWES HER POSITION TO THE CRUCIAL HELP SHE GAVE PRESIDENT LAGOS IN THE RAZOR CLOSE PRESIDENTIAL RUNOFF HE WON IN 2000. LAGOS GAVE HER HER CHOICE OF MINISTRIES, AND SHE SELECTED THE MFA. PERM REP VALDES WAS THE SITTING MINISTER AT THE TIME AND THERE WAS SOME SPECULATION THAT HE WOULD STAY ON, ALTHOUGH HE WAS NOT THE LEADING CANDIDATE. IN SOME SENSE, VALDES (AND HIS FATHER) MAY VIEW THE TOP JOB AT THE FOREIGN MINISTRY AS RIGHTFULLY HIS. ALVEAR BROUGHT HER OWN TEAM TO THE MFA TO SERVE AS HER INNER CIRCLE OF ADVISORS, WHICH EXACERBATED THE DISTANCE BETWEEN HERSELF AND MORE ESTABLISHED FOREIGN AFFAIRS FIGURES LIKE VALDES.

¶15. (C) VALDES' RELATIONSHIP WITH PRESIDENT LAGOS DATES BACK MORE THAN FIFTEEN YEARS, SPANNING THE 1988 PLEBESCIITE, LAGOS' 1999 PRESIDENTIAL CAMPAIGN, AND VALDES' FIRST TWO YEARS AS PERM REP. VALDES BROUGHT THE PRESIDENT'S SON, RICARDO LAGOS WEBER, ONTO HIS NAFTA NEGOTIATING TEAM AT THE FINANCE MINISTRY IN 1994, AND TOOK LAGOS WEBER WITH HIM WHEN HE MOVED TO DIRECON. VALDES TOLD AMBASSADOR BROWNFIELD (REFTEL) THAT PRESIDENT LAGOS IS CLOSELY TRACKING UNSC ISSUES WITH HIM PERSONALLY. WHILE VALDES DOES NOT HOLD CABINET RANK, HE WILL BE ABLE TO RELY UPON THIS DIRECT LINE TO THE PRESIDENT FOR SECURITY COUNCIL MATTERS.

GOLDBERG